

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2183 - SB 2433

February 19, 2022

SUMMARY OF BILL: Authorizes the Department of Revenue (DOR) to establish and maintain a public database known as the state tax lien registry for purposes of recording state tax lien notices. The registry is required to include the recorded date and time of a notice of state tax lien, the name of the taxpayer, and the recorded date and time of a notice of release of lien if applicable. Requires DOR to disclose the specific amount of liability to an interested party following implementation of the database and for ensuring all unreleased and unexpired notice of state tax liens previously recorded by a county register of deeds are transferred to the public database. Relieves county register of deeds from filing and maintaining filed notices of state tax liens. Effective January 1, 2023.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Net Impact – \$60,000/FY22-23

Decrease State Expenditures – \$180,000/FY23-24 and Subsequent Years

The Governor’s proposed budget for FY22-23, on Page A-33, recognizes a one-time increase in state expenditures from the General Fund in the amount of \$150,000.

Assumptions:

- Based on information provided by the DOR, current expenditures for the recordation of tax liens are \$180,000 annually.
- The establishment of the state tax lien notice public database is estimated to require a one-time expenditure of \$150,000.
- The implementation of the database would remove the annual expenditure DOR makes to record and release state tax liens.
- The state tax lien public database will be operational in January 2023; therefore, current expenditures will decrease by half, or \$90,000 (\$180,000 / 2) in FY22-23. The net increase in state expenditures is estimated to be \$60,000 [\$150,000 – \$90,000] in FY22-23.
- The estimated recurring decrease in state expenditures is \$180,000 in FY23-24 and subsequent years.
- Any impact on local government expenditures is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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